

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 12, 2010
POSITION: Neutral

BILL NUMBER: SB 894
AUTHOR: Senate Local Government

BILL SUMMARY: Local Government Omnibus Act of 2010

This bill proposes 20 minor and noncontroversial changes to the state laws affecting local agencies' powers and duties.

FISCAL SUMMARY

Finance estimates this bill would have no state General Fund impact.

COMMENTS

Finance is neutral on this bill for the following reason:

- This bill would address multiple requests for technical, non-controversial amendments to current law in an efficient and relatively inexpensive manner by combining them in one omnibus bill.

Analyst/Principal (0762) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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ANALYSIS**A. Programmatic Analysis**

This bill, the "Local Government Omnibus Act of 2010", proposes 20 noncontroversial changes to the state laws affecting local agencies' powers and duties. This bill would do the following:

- A judge may invite litigants to use a mediator to resolve their case before it goes to trial. These mediation procedures for lawsuits affect 10 specified statutes. This bill would insert a cross-reference to the existing mediation procedures in each of the affected statutes.
- The Commission on State Mandates (COSM) is a quasi-judicial body which decides test claims for reimbursable state mandates, adopting parameters and guidelines defining what activities will be reimbursed, and statewide cost estimates. In 2007 legislation was enacted to allow Finance and local governments to use alternative processes to resolve claims and guidelines for state mandates. In 2009, the State Auditor, with the approval of COSM, recommended that COSM add additional information in its semiannual report about the status of these alternative measures. This bill would require COSM to include more information in its semiannual reports to the Legislature, specifically explaining the use of alternative state-local mandate dispute resolution processes.
- Existing state statutes recite the official boundary descriptions of all 58 counties, and permit counties to adjust those boundaries by mutual agreement. This bill amends the statutory boundary descriptions for Fresno County and Merced County to conform to the counties' current boundaries.
- A municipal advisory council (MAC) is an appointed or elected body that advises county supervisors on topics that affect an unincorporated community. State law prohibits public officials from holding incompatible offices, with exceptions. This bill adds community services districts to the statute that declares that service on a MAC council is not an incompatible office.
- Older state statutes still refer to city councilmembers as "councilmen" or "councilwomen." This bill would change these references to city "councilmember" and "councilmembers."
- Current law governs the 80 special districts which own and operate local public hospitals and clinics. In 1998, the Legislature required health care districts to get majority-voter approval before transferring or leasing 50 percent or more of their assets to any corporation at fair market value. That requirement had a sunset date of January 1, 2001, which has been extended several times. This bill would make that requirement permanent.
- When a redevelopment agency presents its annual report, including its annual independent financial audit report, to its underlying city council or county board of supervisors, the agency must explain any "major violations" that the auditor found. In 2003, the Legislature changed this term to "major audit violation", but neglected to change all of the other references. This bill would change statutory references to "major violations" to "major audit violations" in other relevant sections of state law.
- Current law allows redevelopment officials to pay for public works projects inside redevelopment project areas. Existing law, enacted in 2009, required that before proceeding with public works located outside project areas, officials must make five findings. This bill would clarify that when redevelopment officials pay for public works projects that are located

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outside a redevelopment project area, but were underway before the Legislature imposed the new requirements, they may proceed under the former statutory authority.

- Existing state law governs the structure and powers of air pollution control districts (APCDs) and air quality management districts. Each county's APCD appoints an air pollution control officer (APCO) who in turn appoints the APCD's personnel. Although many APCOs designate deputies to carry out delegated duties, there is no explicit authority to appoint Deputy APCOs for APCDs. This bill would allow APCOs to appoint deputies.
- State law requires an agency that responds to an outbreak of West Nile virus or other mosquito-borne disease to either contract with a local mosquito and vector control agency that has a cooperative agreement with the State Department of Health Services, or consult directly with the Department. This bill would extend the sunset date for that provision from January 1, 2011 to January 1, 2012.
- Public agencies with water reservoirs that are used for fishing or recreation must publish their watershed rules and regulations at least once in a general circulation newspaper in the county where the reservoir is located. This bill would allow public agencies to publish summaries of the changes to their watershed rules and regulations for reservoirs.
- Current law details the competitive bidding procedures that counties must follow when they issue public works contracts. A county board of supervisors must approve changes to these contracts by a 4/5 vote, however, the county supervisors can delegate this authority to the county engineer or other county officer. This bill would raise the limit on change orders for public works contracts that county supervisors delegate to county officials from \$150,000 to \$210,000.
- Existing state law spells out the competitive bidding procedures that counties follow when they issue contracts to build or alter bridges and subways, and that waterworks districts must comply with when they issue construction contracts. County boards of supervisors must approve changes to these contracts by a 4/5 vote. Current law, unlike the laws governing other county public works contracts, does not allow the county supervisors to delegate the authority to approve change orders to county officials. This bill would allow county boards of supervisors to delegate their authority to approve change orders on county bridge and subway construction contracts and waterworks construction contracts to county officers.
- Current law permits redevelopment agencies to use the design-build contracting method until January 1, 2016. The statute permitting the use of the design-build procedure makes an incorrect citation and cross-references. This bill would correct those errors in statute.
- State law spells out the competitive bidding procedures that the Los Angeles County Flood Control District follows when they issue contracts to build water facilities. The statute does not allow the county board of supervisors to approve changes to the District's contracts or to delegate the authority to approve change orders to county officials. This bill would delegate to the District's chief engineer or other District officer the authority to approve change orders on construction contracts.
- Existing law specifies the method by which county officials must allocate property tax revenues to counties, cities, special districts, and school districts, which jurisdictions may agree among themselves under specified circumstances to reallocate property tax revenues. A 2006 Attorney General's opinion noted that words were missing from the statute governing such voluntary reallocation. This bill would correct those omissions.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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- Current law requires water districts to adopt "equitable rules and regulations" that govern the sale and distribution of water. This bill would allow California water districts to publish summaries of any changes to their water rules and regulations, rather than the full text.
- Current state law recognizes the imprint of public agencies' seals as a formal means of executing documents. All reclamation district documents that require the board of trustees' approval must have the imprint of the district's seal. This bill would delete that requirement.
- Under existing law, the North Delta Water Agency's voters are landowners within its boundaries and each landowner gets one vote for every acre owned. This bill would clarify that only the voters in a division of the district shall elect the board member who represents that division.

B. Fiscal Analysis

Finance estimates this bill would have no state General Fund impact.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
0001/Major Rev	SO	No	-----	No/Minor	Fiscal Impact	-----			0001